

100 Black Men of Middle Tennessee, Inc.

Audit Report

December 31, 2013

**Sylvia Johnson
Certified Public Accountant
Sylviajohnsoncpa@comcast.net**

100 Black Men of Middle Tennessee, Inc.

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Sylvia Johnson, Certified Public Accountant
862 Rodney Dr
Nashville, TN 37205
Sylviajohnsoncpa@comcast.net

INDEPENDENT AUDITOR'S REPORT

To the Boards of Directors of
100 Black Men of Middle Tennessee, Inc.

I have audited the accompanying statements of financial position of 100 Black Men of Middle Tennessee, Inc. (a nonprofit organization) as of December 31, 2013, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

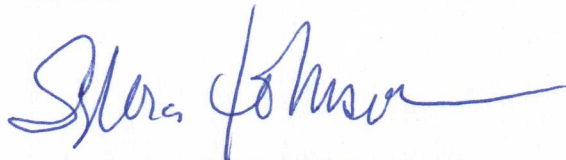
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 100 Black Men of Middle Tennessee, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Sylvia Johnson Certified Public Accountant

Nashville, TN
May 28, 2014

100 Black Men of Middle Tennessee, Inc.
Statement of Financial Position
December 31, 2013

ASSETS

Current Assets

Total Cash and Cash Equivalents	\$ 67,232
Assessments and Pledges Receivable	158,276
Prepaid Expenses	5,325
Total Current Assets	<u>230,833</u>

Fixed Assets

Furniture, Fixtures and Equipment	20,015
Accumulated Depreciation	(18,364)
Total Fixed Assets	<u>1,651</u>

Other Assets

Investments in Stock and Equity Securities	-
Investments in Mutual Funds Securities	15,465
	<u>15,465</u>

TOTAL ASSETS

\$ 247,950

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable	\$ 13,872
Deferred Gala Income	14,250
Line of Credit	-
Total Current Liabilities	<u>28,122</u>

Equity

Unrestricted Assets	219,827
Restricted Assets	
Total Equity	<u>219,827</u>

TOTAL LIABILITIES & EQUITY

\$ 247,950

See Independent Auditor's Report
The accompanying notes are an integral part of these financial statements.

100 Black Men of Middle Tennessee, Inc.

Statement of Activities

For the Years Ended December 31, 2013

CHANGES IN UNRESTRICTED NET ASSETS

Revenue and Support	
Gala Revenue	\$211,471
Contributions	25,230
Dividend and Interest Income	275
Grants	35,000
In-Kind Donations	30,955
Membership Dues	20,486
Realized Gains / (Losses) on Investments	11,595
Other Fundraising	16,887
	<hr/>
Total Revenue and Support	351,898
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Expenses	
Program Services	106,560
Fundraising	110,852
Management and General	145,834
Net Unrealized Loss on Investments	
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Total Expenses	363,246
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Change in Net Assets	
Restricted Assets	-
Unrestricted Assets	(11,348)
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Total Change in Net Assets	(11,348)
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Net Asset at Beginning of Year	231,174
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Net Assets at End of Year	\$219,827
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See Independent Auditor's Report

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100 Black Men of Middle Tennessee, Inc.
Statement of Cash Flows
For the Years Ended December 31, 2013

OPERATING ACTIVITIES

Net Income \$ (11,347)

Adjustments to reconcile Net Income to Net Cash
provided by operations:

Gala Receivable	(37,390)
Membership Dues Receivable	(14,737)
Prepaid Expenses	(5,325)
Accumulated Depreciation	162
Accounts Payable	8,320

Net cash provided by operating activities	(60,317)
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INVESTING ACTIVITIES

Community Foundation Endowment	(2,595)
O'Charley's Stock	44,604
Sterne Agee	62,905

Net cash provided by investing activities	104,914
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FINANCING ACTIVITIES

Deferred Gala Income	(3,750)
Reliant Bank LOC	(26,172)

Net cash provided by financing activities	(29,922)
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Net cash increase for period	14,676
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Cash at beginning of period	52,557
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Cash at end of period	\$ 67,232
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See Independent Auditor's Report
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100 Black Men of Middle Tennessee, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2013

	Program Services	General and Admin	Fundraising	Total
Academic Enrichment	993			993
Advertising				
Bank Service Charges		41	3,500	3,500
Brokerage Fees and Charges		1,323		1,323
Collateral Design & Printi	5,746	744	3,498	9,988
Conferences & Seminars				-
Consultant Services	5,500	25,000	6,000	36,500
Contract Labor	600	10,809	2,779	14,188
Credit Card Processing Fees		494	587	1,081
Depreciation Expense		162		162
Dues & Membership		3,405		3,405
Equipment Rental		5,930		5,930
Field Trips/Outings	424			424
In-Kind Expense		12,690	18,265	30,955
Interest Expense		258		258
Maintenance & Repair - Equipment				-
Meals & Refreshments	472	1,194		1,665
Office Expense	179	6,628		6,807
Other Fundraising Expenses			72,736	72,736
Other Program Expenses		3,465		3,465
Payroll Processing Fee	3,433	4,066		7,499
Payroll Tax Expense	261	2,973		3,234
Postage and Delivery		4,500		4,500
Professional Services	33,741	58,164		91,905
Salary Expense	43,161			43,161
Scholarships Awarded				-
Subscriptions				
Supplies & Materials		1,444	681	2,125
Telephone		1,654		1,654
Transportation	12,050			12,050
Travel & Ent			228	228
Video & Multimedia Expense			2,579	2,579
Website Updates		890		890
	<u>\$ 106,560</u>	<u>\$ 145,834</u>	<u>\$ 110,852</u>	<u>\$ 363,246</u>

See Independent Auditor's Report

The accompanying notes are an integral part of these financial statements.

100 Black Men of Middle Tennessee, Inc.
Notes to Financial Statement
For the Periods Ending December 31, 2013

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The 100 Black Men of Middle Tennessee, Inc.(100BMMT) is a nonprofit corporation that was organized in the State of Tennessee on February 1, 1991. The organization's mission is to nurture and enhance the growth, development and opportunities for young black males in Middle Tennessee with objectives to encourage value systems and to develop positive work ethics.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and recommendations of the American Institute of Certified Public Accountants in its industry audit and accounting guide, "Not-for-Profit Organizations."

Cash and Cash equivalents

For purposes of the Statement of Financial Position, the company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. This consists of cash held in checking and savings accounts.

Fixed Assets

Fixed assets and other property are recorded at historical cost or at the estimated fair market value as determined by church management. Fixed assets are depreciated over their estimated useful lives using the straight-line-method.

Revenue and Expense Recognition

The primary source of support is from membership dues, assessments and one major fundraising event. Dues and pledges are recognized as support when due or made. Funds received are recorded as unrestricted or restricted support depending on the existence or nature of purpose collected or the donor's restriction. When a donor's stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Income Taxes

The organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Therefore, there are no provisions for income taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through May 28, 2014, the date the financial statements were available to be issued. The subsequent events occurring in the immediate period following the review date that have any material effect on the organization or financial statements have been noted in the related section.

Note 2 – Fixed Assets

Fixed Assets consisted of the following at December 31, 2012:

Furniture & Fixtures	\$ 4,045
Office Equipment	<u>15,970</u>
	20,015
Less accumulated depreciation	<u>(18,364)</u>
Total Fixed Assets	\$ 1,651

Note 3 – Investments

A summary of investment current values as of December 31, 2013 are as follows:

Community Foundation Endowment	<u>\$ 15,465</u>
Total Investments	\$ 15,465

Note 4 – Restricted Assets

Temporarily restricted net assets are available for the following specific program services:

100 Kings, Scholars and Other Community Programs	\$ 12,870
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Note 5 – Line of Credit

The organization has a \$100,000 line of credit with Reliant Bank of Brent, Tennessee. The stated interest rate is 5.5%. The current liability balance as of December 31, 2013 is \$0.

Note 5 – Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Sylvia Johnson, Certified Public Accountant
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May 28, 2014

To the Boards of Directors
100 Black Men of Middle Tennessee, Inc.

In planning and performing my audit of the financial statements of 100 Black Men of Middle Tennessee, Inc. (100BMMT) for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, I considered 100BMMT's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

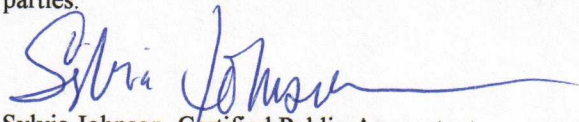
My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

However, I noted certain matters involving internal control and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of internal control that, in my judgement, could adversely affect 100BMMT ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The following reportable conditions were noted:

1. Organizational Structure

The size of the Organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remains involved in the financial affairs of the Organization to provide oversight and independent review functions.

This report is intended solely for the information and use of the Boards of Trustees and Deacons, management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.



Sylvia Johnson, Certified Public Accountant